



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 06-16, Ohio State Income Tax Withholding

Date: May 24, 2006

To: Holders of TAXES (State of Ohio only)
Personnel User Groups
T&A Contact Points in Ohio

Beginning with wages paid for Pay Period 10, the National Finance Center (NFC) will change the Ohio state income tax withholdings. The nontaxable biweekly Federal Health Benefits Plan payment, the nontaxable biweekly life insurance payment, and the taxable biweekly fringe benefits statements will be added to the state tax formula.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to NFC's Home Page (www.nfc.usda.gov) and click **Pubs & Forms**. Then on the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504-255-4630**.

MARK J. HAZUDA, Director
Government Employees Services Division

Ohio State Income Tax Information

State Abbreviation: OH
State Tax Withholding State Code: 39
Acceptable Exemption Form: IT-4
Basis For Withholding: State Exemptions
Acceptable Exemption Data: 0 / Number of Exemptions
TSP Deferred: Yes
Special Coding: Determine the Total Number Of Allowances field as follows:
 First Position - Enter 0 (zero).
 Second and Third Positions - Enter the number of exemptions claimed.
Additional Information: None

Withholding Formula ►(Effective Pay Period 10, 2006)◄

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. ►Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes flexible spending account - health care and dependent care deductions) from the amount computed in step 1.◄
3. ►Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.◄
4. Multiply the adjusted gross biweekly wages times 26 to obtain the annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the gross annual wages to compute the taxable income.

$$\text{Exemption Allowance} = \$650 \times \text{Number of Exemptions}$$

6. Apply the taxable income computed in step 3 to the following table to determine the Ohio tax withholding.

Tax Withholding Table						
If the Amount of Taxable Income Is:		The Amount of Ohio Tax Withholding Should Be:			Of Excess Over:	
Over:	But Not Over:					
\$ 0	\$ 5,000	\$ 0	plus	►0.774%	\$ 0	
5,000	10,000	38.70	plus	1.547%	5,000	
10,000	15,000	116.05	plus	3.094%	10,000	
15,000	20,000	270.75	plus	3.868%	15,000	
20,000	40,000	464.15	plus	4.642%	20,000	
40,000	80,000	1,392.55	plus	5.416%	40,000	
80,000	100,000	3,558.95	plus	6.189%	80,000	
100,000	and over	4,796.75	plus	7.736%◄	100,000	

7. Divide the annual Ohio tax withholding by 26 to obtain the biweekly Ohio tax withholding.